

REQUEST FOR COUNCIL ACTION

MEETING

DATE: 8/4/03

47-

AGENDA SECTION:

CONSENT AGENDA

ORIGINATING DEPT:

Public Works

ITEM NO.

D-17

ITEM DESCRIPTION:

Feasibility Report for Trunkline Sanitary Sewer and Watermain to Serve Portions of Sewer Service Area 28E, J7710

PREPARED BY:

J. Loehr

This is the Feasibility Report for the construction of sanitary sewer and watermain to serve portions of sewer service area 28 in a project described as follows:

Project No. M2-40, J7710**"Trunkline Sanitary Sewer and Watermain Extension to Serve Portions of Section 20 of Cascade Township, Sewer Service Area 28E."**

The estimated construction costs and expense of this project are as follows:

Sanitary Sewer	\$ 66,000
Watermain	66,000
Erosion Control	5,000
Restoration	10,000
Sub-Total	\$ 147,000
Engineering/Interest/Contingencies	44,100
Sub-total w/ EI&C	\$ 191,100
Easements	25,000
Estimated Project Cost and Expense	\$ 216,100

Project Funding Sources

The Feasibility Report proposes that the project be funded from Development and/or Contribution Agreements between the City of Rochester and the petitioner of the project (the petitioner's estimated charges represent 60.0% of the estimated project cost), and from future charges from Owner's of other undeveloped properties that are served by the project that did not petition for the project.

The petitioner of the project Mac Hamilton will be required to enter into Development and/or Contribution Agreements prior to the advertisement of bids for the project.

Payment of 50% of the estimated charges for the Hamilton property is required when the project is 50% completed. Payment of the balance of the actual charges for Hamilton's property is required after the project is completed and the final project quantities and costs have been determined.

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting the Feasibility Report.

Attachments: Feasibility Report
Project Location Map

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

19

REPORT ON THE FEASIBILITY OF PROPOSED LOCAL IMPROVEMENT PROJECT

Trunkline Sanitary Sewer and Watermain Extension to Serve Portions of Section 20 of
Cascade Township, Sewer Service Area 28E

Honorable Mayor & Common Council
City of Rochester, Minnesota

A petition for sanitary sewer was forwarded by the City Council at their meeting of July 1, 2002 to the Public Works Department for the preparation of a Feasibility Report. Mac Hamilton filed the petition. The petition was checked and found to be in proper form.

Mr. Hamilton's petition represents 50% of the property owners affected by the project.

Feasibility Report

We report that the above referenced project is feasible and recommend its construction provided that Mr. Hamilton enters into Development and/or Contribution Agreements for 54% of the project costs with the City prior to the advertisement of bids for the project.

The costs for this project are proposed to be recovered through Development and/or Contribution Agreements with Mr. Hamilton and future Development and/or Contribution Agreements for the development for the two properties affected by the project.

Scope of Project

The project consists of the extension of a 10" sanitary sewer and 12" watermain that is currently available on the west side of West Circle Drive NW. This 10" sewer and 12" watermain is proposed for extension from that location westerly along the alignment of a future roadway that is to be located on the Shefelbine property.

Availability of Trunkline Sanitary Sewer

The properties can be served by the existing trunkline sanitary sewer system. Therefore, the construction of, and/or the extension of trunkline sanitary sewer are not required. The sewer proposed for construction in this project eventually flows into the Kings Run trunkline sanitary sewer. The Kings Run trunkline sanitary sewer is scheduled for replacement over the next several years, as the trunkline is rapidly approaching its capacity.

Availability of Trunk Watermain and Water Towers

The properties can be served by existing trunk water distribution systems and water towers, therefore the construction and/or extension of trunk watermain or water towers is not required. Rochester Public Utilities has indicated that a new water tower will be required as other property in the area develops. The location of a new tower to serve this area is located on 50th Avenue NW in the approximate alignment of 41st Street NW.

Easements

The extension of the proposed sanitary sewer and watermain will need to be constructed on property owned by Alton Shefelbine. Since Mr. Shefelbine is not proposing to develop his property at this time, the acquisition of easements may be required for the proposed sanitary sewer and watermain extension project. The estimated project costs contained in this Feasibility Report includes an item for the acquisition of an easement from Mr. Shefelbine. The cost of any easement will be included as a project cost.

Estimated Construction Cost and Expense of the Project

Sanitary Sewer	\$ 66,000
Watermain	\$ 66,000
Erosion Control	\$ 5,000
Restoration	\$ 10,000
Sub-total	\$147,000
Engineering, Interest & Contingencies (estimated at 30%)	+ 44,100
	\$191,100
Easements	\$ 25,000
Total	\$216,100

Project Funding Sources

Hamilton Property	\$129,660	(60% of the estimated project cost)
Shefelbine Property	\$ 73,440	(future charges)
Rochester Public Utilities	\$ 13,000	(oversize watermain)
Estimated Project Cost	\$216,100	

Mr. Hamilton should be required to enter into Development and/or Contribution Agreement with the City prior to the advertisement of bids for the project. The Agreement will require Mr. Hamilton to pay the charges attributable to his property as follows:

Hamilton Property

Annexation of the property is required by July 31, 2003 and prior to the City Council opening bids for the construction of the project.

Payment of 50% (\$70,680.00) of the estimated charges attributable to the Hamilton property is required when construction of the project is 50% completed and within 30 days of written notice (invoice) by the City to Mr. Hamilton for that payment.

The actual charges attributable to the Hamilton will be determined after the project is completed and the final project quantities and costs are determined. Payment of the actual charges less \$70,680.00 is required within 30 days of written notice (invoice) by the City to Hamilton for payment of the final share of the project costs.

Shefelbine Property

Payment of the charges for the Shefelbine property is required when each property is developed. Interest will be charged at 7.5% simple interest for up to 10-years from the date that the project is substantially completed to the date that the charges and accrued interest attributable the property are paid in full. If the property owner has not paid the connection charges by the end of 10-years, then the connection charges

50

shall be adjusted on August 1st of each year based on the change in the Engineering News Record/Construction Cost Index for the Minneapolis/St. Paul area during the preceding 12 months.

Payment of a proportional share of the charges plus accrued interest is required within 30 days of City Council approval of a City-Owner contract for each phase of the development of the property. If a City-Owner contract is not required for a phase of development then payment of a proportional share of the charges plus accrued interest is required within 30 days of the City Council approving the Final Plat for that phase of development.

Additional Development Related Charges

In addition to Sanitary Sewer and Watermain Connection Charges required from the Shefelbine property lying directly adjacent to the proposed project, and the Charges for the Hamilton property and Alpha property the three (3) properties are also subject to the following development related charges for other City of Rochester public improvement projects:

Storm Water Management

Onsite storm water sedimentation facilities will be required to serve each of the properties during development. Private storm water management facilities shall be designed to serve each respective property. Cost of construction of these facilities is the developer's expense. In the event that a portion or portions of the property are not served by these onsite facilities, then the acreage of these areas are subject to a Storm Water Management Fee of **\$2,211.76 per acre for low-density residential development**. Multi-family development and commercial/industrial development uses will be calculated on a case-by-case basis.

Sewer Availability Charge

The properties are subject to a Sewer Availability Charge of **\$1,790.25 per developable acre** for use of the City of Rochester trunkline sanitary sewer lines.

Water Availability Charge

The properties are subject to a Water Availability Charge of **\$1,790.25 per developable acre** for use of the City of Rochester water tower and trunk watermain distribution lines.

Note:

The rates for Storm Water Management, Sewer Availability Charge, and Water Availability Charge are adjusted on August 1st of each year based on the change in the Engineering News Record/Construction Cost Index for the Minneapolis/St. Paul area during the preceding 12 months. The rates shown in this Feasibility Report are in effect through July 31, 2003.

Prior to the advertisement of bids for the project, Mr. Hamilton should be required to enter into Contribution Agreements and/or Development Agreements for his property.

Submitted for your consideration:

Approved:

James M. Loehr,
Water Quality Protection Program
Project Manager

Richard W. Freese
Richard W. Freese
City Engineer

51 /

BUDGET AND ASSESSMENT SCHEDULE FOR CONSTRUCTION CONTRACT

Project No: M2-40
J No: J7710

Date (Orig.) August 4, 2003

Description: Trunkline Sanitary Sewer and Watermain Extension to Serve Portions of Section 20 in Cascade Township, Sewer Service Area 28E.

<u>Project Cost</u>	Project Budget	Contract Cost	Final Cost
<u>Sanitary Sewer</u>	\$ 66,000		
<u>Watermain</u>	66,000		
<u>Restoration</u>	10,000		
<u>Erosion Control</u>	5,000		
<u>Construction Cost</u>	\$ 147,000		
<u>Engineering/Interest/Contingency</u>	44,100		
<u>Construction & Expense</u>	\$ 191,100		
<u>Easements</u>	25,000		
<u>Total</u>	\$ 216,100		
<u>Cost Distribution</u>			
<u>Hamilton Property</u>	\$ 116,660		
Developer/Contribution Agreement			
<u>Shefelbine Property</u>	86,440		
Future Charge			
RPU, Oversize Watermain	13,000		
TOTAL ESTIMATED COST	\$ 216,100		

Make Initial Disbursement from P. I. R. Fund

23



J4005 Storm Water Pond Kr-p2.1a

50th Avenue NW

J7710 Sanitary Sewer & Watermain

Shefelbine

Hamilton

Hamilton

West Circle Drive

Valleyhigh Drive NW